

From the Chairman's Desk



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Dear shareholders,

I trust you and your loved ones are safe. For our world, over the last 15 months has completely changed to something which we had never fathomed before. Safety has assumed a new priority as has health, certain basics of life which all of us had almost taken as given. I urge you to kindly maintain caution each day to avoid a repeat of what we, as a nation, have endured in these months. Also, my heart goes out to all those families who have experienced pain and anxiety from the health emergency that engulfed the nation.

I pen this statement with considerable optimism because we are at the cusp of stepping into a future of promising prospects that should herald healthy returns as we move forward. But before, I unravel what lies ahead, I would take this opportunity of reflecting on what transpired in the previous year that would put our future strategy in the right context.

FY21, the year that was.

It was an unprecedented year. A health scare that swept across the world in no time, brought business operations to a standstill almost abruptly. This was the reality for almost every business enterprise. We also had to curtail our operations.

Things got a little challenging as we needed to get back to normal operations with speed. Because we are an essential part of the healthcare system. We needed to make the APIs that goes into formulating medicines. Hence, despite the lockdowns, logistical restrictions and supply chain disruptions, the show had to go on.

At Ind-Swift, this happened only due to our team of go-getters who braved the odds and persevered despite the pain. This helped us capitalise on opportunities in India and across the world.

We grew our market share for some products in select markets. We launched new products in specific markets. We added new customers in existing markets. We established a presence in certain geographies for the first time. We increased our regulatory filings in key markets of our presence with the objective of widening our product basket.

Some of these efforts got reflected in our performance. Our revenue increased by 13.93% over the previous year as did our EBITDA – it grew by 13.60% over FY20. Moreover, we reported a turnaround in our fortunes – we reported a Profit before Tax of ₹ 1,611.71 Lakhs in FY21 against a Loss before Tax of ₹ 1,956.05 Lakhs in FY20. This transpired even as the ecosystem remained particularly challenging.

Despite this achievement, there was a sense of disappointment. Because, even as we continued to up our performance year after year over the recent past, we could not reward our shareholders. This brings me to the all-important part of my message this year.

FY22 will be a new chapter.

We divested our entire business in a slump sale to agrisciences firm PI Industries Ltd. at an enterprise value of ₹ 1,530 crore. After all the effort over these years, we sold it.

Why did we sell?

A pertinent question. Let us go back a decade or so. We took debt to drive our R&D efforts. We had identified some good products. We

developed the same. But their approval from regulatory authorities took more time than envisaged. Hence, returns from the resources invested got delayed. Our repayment schedule went awry. We were referred to the Corporate Debt Restructuring cell. From then on, it was an uphill task.

We were determined to fight back. Because we are convinced that you don't lose when you fall, you lose when you fall and refuse to get up. We worked our way back; and we did so with greater conviction and zeal. But even as we toiled, we realised that all our efforts were only going into repaying high-cost interest on our leveraged position. We could not announce and distribute dividends.

Hence, we worked on a strategic roadmap – raise our performance and widen our prospects with the objective of scaling the business valuation. The strategy worked. We received a good valuation for our API business.

What do we do with these funds?

The funds received will make the Company totally debt-free. We will have surplus funds which we will deploy in for strategic acquisitions/ investments to enhance the stakeholder's value over the

medium-term.

Hopefully, in my next annual statement to you, I would be able to detail out where we go from here next and the roadmap. It will be something in the pharma space because it will allow us to adequately utilise our four-decade rich experience in this space. We will utilise all our learnings from our earlier endeavours to ensure that we are able to create wealth for all our stakeholders.

In closing, I take the opportunity to thank my colleagues on the Board for the continued support in contouring the strategic roadmap of the Company. I sincerely thank the entire Ind-Swift team for their unflinching focus and disciplined efforts in remaining steadfast on our commitment. I also thank all our vendors, bankers, government agencies and all other stakeholders for their support in our journey this far. Most importantly, I thank the shareholders in reposing their faith in our abilities. We solicit your continued support as we embark towards **New Horizons**.

Warm regards,

N. R. Munjal

*Chairman
& Managing Director*